

So if employers were not hiring workers, and if they were miserly when it came to increases in wages and benefits for existing employees, what happened to all the money from the strong economic growth?

The study is very clear on this point. The bulk of the gains did not go to workers, "but instead were used to boost profits, lower prices, or increase C.E.O. compensation."

This is a radical transformation of the way the bounty of this country has been distributed since World War II. Workers are being treated more and more like patrons in a rigged casino. They can't win.

Corporate profits go up. The stock market goes up. Executive compensation skyrockets. But workers, for the most part, remain on the treadmill.

When you look at corporate profits versus employee compensation in this recovery, and then compare that, as Mr. Sum and his colleagues did, with the eight previous recoveries since World War II, it's like turning a chart upside down.

The study found that the amount of income growth devoured by corporate profits in this recovery is "historically unprecedented," as is the "low share . . . accruing to the nation's workers in the form of labor compensation."

I have to laugh when I hear conservatives complaining about class warfare. They know this terrain better than anyone. They launched the war. They're waging it. And they're winning it.

Mr. HARKIN. Mr. President, again, we will look over these proposed regulations. But nothing the administration has done in the last couple, 3 years with regard to job creation, with regard to treating labor fairly in terms of getting its fair share of any economic gains, or the proposed regulations last year that would have literally cut off at the knees American workers' right to overtime pay changes my mind; I remain skeptical that this administration really wants to help work workers get overtime pay.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

THE TAX BURDEN IN AMERICA

Mr. CORZINE. Mr. President, first of all, let me congratulate the distinguished Senator from Iowa for pointing out and being so persistent in dealing with this issue of overtime pay and how working Americans are being treated by the economic policies of the current administration.

I have been on the Senate floor a number of times over the last several months talking about the status of the American economy—the job losses that we have had: 2 million, roughly, generally, and 2.6 million private sector jobs. We have talked about the pressure on the middle class. Good gracious, we are now talking about cutting overtime pay for 8 million working Americans in the middle class.

Goodness knows, the budget situation in this country, under this administration, has been a fiasco. We have gone from projections of \$5.5 trillion worth of budget surpluses to \$5 trillion of budget deficits over the next 10

years—\$18,000 of debt per American to \$24,000 now, and projections it will get up to \$35,000 over the next 10 years—an incredible failure of economic policy.

But today I want to talk about another indicator that is showing the weaknesses and the failures of this policy. Last week, millions of Americans paid their income tax. A lot of us struggled to figure out how to do that and send it in by the April 15 deadline. But the fact is, when all is said and done, about 30 percent of Americans' income was paid in Federal, State, and local taxes—about 30 percent. But while the average American is paying 30 percent of their income in taxes, the majority of corporations are paying far less. In fact, about 60 percent of all corporations reporting income did not pay income tax at all. That is according to the General Accounting Office. Sixty percent of corporations did not pay any Federal tax at all.

Moreover, about 95 percent of corporations pay less than 5 percent of their income in taxes. As a share of corporate profits, corporate taxes are now at their lowest level since World War II. There has been a dramatic shift in the tax burden from corporations and high-income folks to those middle-class folks who are now going to have their overtime cut. It is an incredible change in the direction of this country and in fairness.

While corporate taxes have declined, as the good Senator from Iowa pointed out, corporate profits have increased dramatically over the last several years, much greater than wages. Median income during the Bush administration has fallen about 3 percent for the average worker in America. Corporate profits, by contrast, have increased by 26 percent. There has been a huge growth in corporate profits at the same time median income for working Americans is down. In other words, workers have received relatively little benefit from the increase in corporate profits. With all this "hootin' and hollerin'" about GDP growth, it is not showing up in the paychecks of working Americans.

In the early 1990s, when you had an increase in the economy as we are seeing now, 60 percent of those increases in income went to wages, and about 40 percent went to corporate profits. In today's recovery, the one that has occurred over the last several years, only 13 percent has gone to working men and women, and almost 87 percent has gone to corporate profits or corporate wages, to the CEOs. It is incredible, 60 percent versus 13 percent. There is something afoot here.

It fits into an overall flow of facts that middle-class income workers are getting hurt in this economy. The fact is, we have seen median income decline 3 percent for the average worker in America. And by the way, at the same time income has fallen for real families in America, the costs are going up. For example, a couple of items that go on in everybody's budget: Health insur-

ance is up 14 percent at the same time these median incomes are going down. Corporate profits are going up. Gasoline prices are up 19 percent. College tuition, something that gives access to the American promise, is up 28 percent at the same time. I hate to get into property taxes, but in many parts of our country, all we have done is shift the tax burden from the Federal Government to the local level. The Bush record includes income falling for middle-income families and rising costs on things that matter in their lives.

It is incredible, particularly when put in the context that we haven't been creating jobs. The fact is, we have 8.4 million Americans without jobs. That is the latest survey. We have been hearing a lot of hootin' and hollerin' about growth and jobs. There are 8.4 million Americans without jobs. That is 2.4 million more jobs lost during this administration's tenure and stewardship of the economy. Something is wrong here. Income is going down. Jobs are going down. Costs are going up.

What is happening is we are putting incredible pressure on the average American. By the way, even when people get jobs after they have lost a job, there is an incredible loss of real income for those individuals. That is how that median income came down.

According to survey, for workers who lost jobs in 2001, the average salary was \$44,570. Today, for those who have found jobs, the average salary an individual ultimately was able to get was \$35,410. That is another 21-percent drop for those people who lost jobs and then ultimately reentered the workforce.

We have median income going down. We see job losses going up. We see corporate profits going up, and no sharing of that going on in the economy.

There is a real problem. The administration's proposals and policies have done an incredible job of actually undermining the well-being and quality of life for middle-income Americans.

Many people have different views about fairness, but since the tax date was last week and we talked about the fact corporations are not paying their fair share, I want to mention the fact for the middle 20 percent of Americans, a range of people who have an adjusted gross income from filings and income tax, the average tax break for that middle 20-percent, middle-class America, was \$647. That is not something to throw out the window, but it is not a great amount of money given what tuition costs are doing, and given gasoline prices and health care costs. But it is a break. But if you were in the top 1 percent of Americans, on that same scale of adjusted gross income, you got an average tax break of about \$35,000.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SARBANES. Mr. President, I yield the Senator 1½ minutes of the time allocated to me.

Mr. CORZINE. I thank the Senator from Maryland.

Finally, if you look at those individuals in America who have been blessed

with good earnings and opportunity, with \$1 million of earnings or more, a tax cut of \$123,500. I don't understand why anyone would think this is going to be stimulative to the economy, efficient to the economy. Let alone does it relate to the fairness most Americans expect. Here we have \$1.5 trillion in tax cuts and a whole bunch of it is going to the people making \$1 million or more, and the middle class is getting a very small portion. We have a major problem with economic policy. We clearly are not creating jobs. We clearly are undermining the quality of life of middle-income Americans.

There is a classic fairness issue that is going on here which I wanted to relate with regard to corporate income taxes and certainly with regard to how tax breaks work.

It is time for a rethink. The IMF and the OECD this week released reports that said the current administration's policies are going to end up undermining growth for the rest of the world because we are running such big deficits. There is something wrong. It is time for us to address it. I will come out here and talk about these kinds of pressures on the middle class, on our budget, on what is fair. We need to make sure the American people know they are not getting a fair shake.

We need to pass the legislation for which the Senator from Iowa has so assiduously fought to make sure 8 million people are protected on overtime. We need to make sure we change this tax policy so all Americans benefit from the great bounty we have. The choice is clear.

We were able in the 1990s, with a different set of policies, to create 22.5 million jobs, the greatest increase in wealth for all Americans, not just middle class but all Americans. We decreased poverty. All good indicators of what happened.

Now we have lost 2.6 million private sector jobs; 8.4 million people are unemployed; and we have a distribution of income that makes no sense for the middle class.

Mr. SARBANES. Mr. President, I commend the very able Senator from New Jersey for his very powerful statement and for putting everything in context.

First of all, I appreciate his taking the April 15 filing deadline, which most of us have just confronted in terms of filing our tax returns, and pointing out that corporations are paying hardly anything in income taxes. As I understand it, 60 percent of corporations filing show no tax liability. As I understand it, 95 percent were paying 5 percent or less.

Secondly, the Senator has pointed out this huge discrepancy in the tax benefit from the Bush tax cuts. His chart shows middle-income people were getting about \$600, as I recall the figure. And for the top 1 percent, what was the figure?

Mr. CORZINE. That was \$124,000.

Mr. SARBANES. That is the millionaires.

Mr. CORZINE. Excuse me, \$35,000.

Mr. SARBANES. And the millionaires were getting \$124,000. This is classic trickle-down economics. It doesn't work. Proof that it does not work is where we are on the jobs front. We have an administration that claims it has a successful economic policy, and it is not producing jobs. In fact, we have now over 2 million fewer jobs than we had when this administration took over in January of 2001.

The last time we had an administration that failed to produce a net increase in jobs over the course of the administration was the Herbert Hoover administration. Now, stop and think about that. I say to the Senator, is it not his understanding that every administration since Herbert Hoover has been able to show a net increase of jobs over the course of their administration—until this administration which now is over 2 million jobs in the hole below where we were when they came into office?

Mr. CORZINE. The Senator from Maryland is absolutely correct. If you look at private sector jobs where a real economy is broadly creating wealth for individuals, 2.6 million jobs have been lost, and it is a horrific record relative to the performance of what should be enormous productivity and job growth in this country.

Mr. SARBANES. Furthermore, it is my understanding, I say to the Senator, that this recession we have experienced began 36 months ago. As we have said, we have fewer jobs now than we did when the recession first started. This is the first recession since the Great Depression in which 36 months after the recession began we have failed to come back and recover or recreate the jobs that were lost in the recession.

Stop and think about that. It is 36 months after the recession began. In every other economic downturn since the Great Depression, 36 months after the recession began we had recovered all the jobs lost and gone well beyond that in most instances in job creation. We have not done that in this business cycle. In fact, if we had grown at the job growth equal to the worst on record following a recession—I am just taking now the worst performance of previous economic downturns—if we had just the job growth now that we had in the worst recovery period, we would have 3.4 million more jobs than we have today. It is incredible what is happening on the jobs front. We are not closing this jobs gap. This administration doesn't seem to understand it or face up to it.

In fact, in the 2002 Economic Report of the President, the administration forecasted that in 2004—the year we are in—the economy would have 138.3 million jobs. Last year, the President lowered that estimate for the number of jobs we would have in 2004. In 2003, he predicted only 135.2 million jobs. In the most recent economic report, the administration lowered it again to 132.7

million jobs. In 2 years, they lowered the number of job predictions by 6 million jobs.

Mr. CORZINE. Will the Senator yield for a question?

Mr. SARBANES. Yes.

Mr. CORZINE. The Senator from Maryland understands supply and demand. But if there are 6 million more Americans looking for jobs than is demand, what usually happens when there is excess supply of labor or any other element of our economic system versus demand?

Mr. SARBANES. You can see the effect on the earnings of workers that is taking place in the economy, for one thing.

Mr. CORZINE. It is a most important element. This jobs issue is not only impacting people who don't have jobs, it is impacting people who do have jobs.

Mr. SARBANES. Exactly.

Mr. CORZINE. It is undermining the ability of working Americans to actually get good wages. That is why median income is down. That is why you go from \$45,000 for a job lost to picking up a job worth \$35,000.

Mr. SARBANES. The Senator is right to focus on the inadequacy of demand. If he would put up the chart that shows how much of the benefit goes to workers' wages as opposed to corporate profit in this so-called recovery, we can see that if you go back to the early 1990s, during that recovery, a majority—85 percent—of the benefits were going to workers. In this recovery, the workers are getting only 15 percent.

Mr. CORZINE. It is 13 percent.

Mr. SARBANES. So 87 percent of it is going to corporate profit. That is one of the big differences. That is one of the reasons we are not creating jobs. When it goes to workers' wages, it makes its way back into the economy, stimulates economic activity. As a consequence, it helps produce jobs. Now it is so heavily weighted away from workers and toward the corporations that are showing these record profits that we are not getting the same economic stimulus.

Then they say, well, if the corporations make big profits, they will invest in plant and equipment. But the corporations won't invest in plant and equipment if they don't think there is going to be a demand for what that plant and equipment will produce. The major source of the demand comes from workers' wages, which is being grossly shortchanged in this so-called economic recovery. It is no wonder we are facing such a severe economic situation.

Twenty-four percent of the people who are unemployed have been unemployed for more than 26 weeks. They are the so-called long-term unemployed. We are now at a record in that this percentage has been above 20 for 18 consecutive months. The last time we had long-term unemployed at that level for such a long period of time was in the 1982 recession, when the unemployment rate went up to close to 10

percent. So what is happening is a lot of the impact is being concealed or disguised. People have dropped out of the workforce. The workforce participation rate now is at a 16 year low, despite having previously risen almost every year in this postwar period. That is the situation we confront.

The Senator is absolutely right to put his finger on these gross inequities in the workings of the economy because more and more of its benefits are being pushed to the very top of the income and wealth scale. As a consequence, they do not get recirculated back through the economy to create jobs and meet the tremendous challenge that working people in this country are facing, which the Senator has very thoroughly outlined in the course of his statement. I commend my colleague from New Jersey for his very strong and powerful statement in underscoring this shift in economic benefits.

There is one strata up at the top that is reaping the benefits, and all the rest of us are feeling the economic burdens, stress and strain of this economy.

Mr. CORZINE. Will the Senator yield?

Mr. SARBANES. Yes.

Mr. CORZINE. I think the Senator from Maryland probably realizes—and correct me if I am wrong—I think there are 1.4 million or 1.6 million Americans that have even dropped out of looking for work.

Mr. SARBANES. That is right.

Mr. CORZINE. The Senator most appropriately talked about the pain that is being inflicted on the unemployed because they are unemployed for a much longer period of time. But what is just as serious is that there are a lot of people who have said the heck with it; there is no chance of actually getting a job.

Mr. SARBANES. I thank the Senator for his very strong presentation.

I yield the floor.

The PRESIDING OFFICER (Mr. ENZI). There will now be 30 minutes for the majority.

The Senator from Wyoming is recognized.

THE ECONOMY

Mr. THOMAS. Mr. President, before I talk on the subject I came to talk about, I want to react a little to what has been said in terms of the economy. It is surprising, because the economy has grown substantially, that we find some complaining about it over there. It is not a surprise that the person who pays the most taxes gets a tax cut. That should not be a surprise. The idea is that encouraging business is how you create jobs. But I guess we have a different view of what it is.

I think we have a political aspect to what is going on here. This place has become almost like a political rally, when what we ought to be doing is talking about issues. I hope we can do that.

COURT JURISDICTION

Mr. THOMAS. Mr. President, this has little to do with the idea of establishing a venue search for various court actions.

I would like to address an issue that is very important to all of us, particularly the Western States that have a good amount of public lands. First, there are many suits being filed. People are trying through suits, or the threat of suits, but even worse, if there is a suit, to be able to pick a venue they think is more sympathetic to their point of view than going to the venue in which the issue occurs. That is what I am talking about.

That has particularly been the case with environmentalists who have sought to manage public lands and public facilities largely through suits rather than the issues.

In recent years, we have been steamrolled quite a bit by Federal issues that go to judges completely out of the area rather than dealing with them in the circuit in which the issue occurs. Specifically, we have had some experience with suits involving issues with Yellowstone Park or Teton Park.

We have a circuit court system. We are in the Tenth Circuit. I need to review what I am talking about. The Federal judiciary is set up on a system of circuit courts. It is set up with a number of circuits throughout the country and based on geography. The reason for that, of course, is so everyone has access to the legal system and it is fairly available to them.

If you go to a circuit court and you appeal that decision, it goes to the appeals court and then to the Supreme Court. The fact is, the circuit court in Cheyenne, WY, is a Federal court, just as the circuit court in Washington, DC. It certainly is more appropriate to go to them. That is why those circuit courts are there.

Our Constitution includes many checks and balances, and the authority for Congress to limit judicial jurisdiction is clearly needed.

I have introduced a bill that would provide original jurisdiction to the appropriate court venue in the impacted area for matters involving Federal lands. I cannot continue to watch issues that happen in particular parts of the country—in this case in Wyoming and Montana—to be taken to a Federal court in Washington, DC, when, in fact, there are Federal courts in our area. That is why they are there.

My intent is nondiscriminatory. It simply underscores my strong belief that Federal judges in the area should have the first crack at cases that have a direct impact on that particular area. Certainly that is something on which we need to continue to work. It is a matter, of course, that affects a lot of Federal lands.

Half of the State of Wyoming belongs to the Federal Government. It is similar in Arizona and other States in the West. The circuits we are in are the ones that should, in fact, deal with

those Federal land issues when the issue is in that particular State. Of course, the appeals go on the same as anywhere else.

When I introduced the bill, some folks were shocked and said it was a waste of time. I think it is more shocking to skirt the jurisdiction of judicial courts and venue shop and go somewhere they think will give a better result to the lawsuit that has been filed.

The justices need to be fair. Everyone deserves their day in court. Certainly we have an issue now where the local court has been involved at one time, and they went around the local court and went to Washington, DC. We have two courts on the same level with two different points of view on the same issue. It has caused us a great deal of problems.

I ask unanimous consent that an article written by Judge Robert Ranck, a retired judge, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Jackson Hole News & Guide, Mar. 24, 2004]

FEDERAL JUSTICE AND YOUR DAY IN COURT

(By Robert Ranck)

No one should be shocked. And particularly no one should be confused by the editorial that ran in this paper last week.

Apparently, what is needed is a review of our civics.

The federal judiciary is set upon a system of circuits based on geography. Each action that leads to a case in a particular geography area must generally be filed in that circuit. If there is an appeal of a case within that circuit from federal district court, it is directed to the federal appeals court of that circuit. If appealed from that federal circuit's appeals court, it then goes to the U.S. Supreme Court in Washington.

Why are the federal circuits based on geographic lines? Our judicial system is founded on the premise that everyone deserves their day in court. To have your day in court, you need to be able to get to the court and not be required to travel thousands of miles to do so. That's why the jurisdiction of our federal circuit courts are such—it's called access to justice. And no one—least of all our litigious community—should be shocked or upset by access to justice.

Loopholes in the rules of federal venue are being currently exploited by those who want to pick the federal judge who best suits their politics. They do that by twisting the allegations describing the nature of the case. If there is an issue involving snow machining in Yellowstone, for example, some groups think the action arises not in Wyoming or Montana, but in D.C. Why? Because the Park Service is headquartered in D.C. But that's not how the federal system was designed. That is not the intent of the system. That takes justice further from the people most impacted by the matter in question. And that is wrong.

In many ways, a federal judge is a federal judge. Brimmer or Sullivan, they are of the same federal rank, with the same federal powers. Here's the difference: one was born, raised, and spent his entire professional career in the jurisdiction where the snowmobiling controversy arose. The other was born, raised and practiced his entire career in Washington, D.C.—a heck of a long way from the Tetons. I am disappointed that this paper, and other usually thoughtful people, are advocating venue concepts that result in justice being less accessible to people